

# Microfinance and Small Deposit Mobilization: Fact or Fiction?<sup>1</sup>

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## Introduction

Two primary arguments can be made for voluntary deposit mobilization among microfinance institutions (MFIs).<sup>2</sup> First, deposit mobilization is an alternative source of funds that was neglected by most MFIs until a few years ago. From this perspective, voluntary deposit mobilization helps MFIs achieve independence from donors and investors, which is particularly important in periods of liquidity constraints. Second, poor households benefit greatly from having access to deposit mechanisms, and the benefits can be even greater than those derived from access to credit.<sup>3</sup> On the funding side, the industry has demonstrated great progress, with savings mobilization now representing more than half of the assets reported by deposit mobilizing MFIs, even though this share seems to have decreased a bit during the last three years.

Since voluntary deposit mobilization has become an important source of funding for the microfinance industry, the main question explored

in this paper is whether deposit mobilizing MFIs are really serving small depositors. Most microfinance observers automatically assume that all voluntary deposit mobilization by MFIs would be from small size accounts, and, hopefully, from depositors with similar socioeconomic traits as the clients they reach with their other services.<sup>4</sup> But until now, no one has addressed the question of depth of outreach of deposit mobilization on a global scale as is routinely done for microloans.

This paper proposes a new indicator for depth of outreach of MFIs' deposit mobilizing instruments, the ratio (called **Ratio 1** in Annex: Table 5) of *Average Deposits per Depositor to Average Loan Balances per Borrower*. We argue that smaller average deposits per depositor are associated with greater depth of outreach of the retail deposit products of MFIs, in the same way that the industry has argued that MFIs with smaller average loan balances per borrower have greater depth of outreach of their credit

1. The authors have benefited immensely from discussions about this topic with Fernando Prado, Richard Rosenberg, Blaine Stephens, Robert Vogel, Peter Wall, and Glenn Wesley. All errors and omissions remain our only responsibility.

2. In this paper, the term "deposits" applies to any type of instrument used by microfinance institutions to mobilize deposits from their clients, and it is not restricted to any particular type of instrument, such as time deposits or savings accounts.

3. Rutherford, Stuart (2000), *The Poor and Their Money*, Oxford University Press, New Delhi.

4. We are not arguing that the mobilization of large deposits is wrong. Our argument here is that from the perspective of depth of outreach and increasing access to financial services to poor households, small deposit accounts presumably are made by poorer clients so they are more desirable than larger deposit accounts. And of course, a high concentration on a few very large deposit accounts may be highly risky for MFIs as well, even though it may be desirable from an administrative point of view.

products. The implicit assumption in both cases is that larger accounts are positively correlated with the income level of the clients. Therefore, MFIs with smaller average deposits per depositor will be deemed as better than those with larger average balances, *ceteris paribus*.<sup>5</sup> By this criterion, it is easy to rank deposit mobilizing MFIs in the same country because average deposits per depositor are comparable. However, the comparison of depth of savings outreach for MFIs in different countries is not as straight forward because of differences in per capita income. Therefore, the proposed use of the ratio of *Average Deposits per Depositor to Average Loan per Borrower* as a new indicator of the depth of outreach of MFIs deposit mobilizing instruments is especially useful for international comparisons.

We are not suggesting any normative criteria regarding the thresholds for this new indicator. Likewise, economic theory cannot shed any light on this issue. However, our analysis shows that for most MFIs and countries, the level of average deposits per depositor is far less than two-thirds the level of average loans per borrower. The following analysis also shows that small deposit mobilization by microfinance institutions is very strong in most countries, with the exception of a few countries in Latin America and the Caribbean (LAC) and Eastern Europe and Central Asia (ECA). Summary statistics for each country are presented and country level statistical tests are used to validate the significance of the country results. Also, correlation coefficients confirm that the ratio of *Average Deposits to Loan Balances per Borrower* is not highly correlated with its numerator or denominator, or with other indicators commonly used to benchmark deposit mobilization by MFIs. This suggests that this

indicator can bring a new dimension for the comparison of depth of outreach of microdeposit mobilization.

## Methodology

The following analysis does not offer definitive evidence on the issue of depth of outreach of MFIs' deposit mobilizing products, but some important results emerge. The best feasible methodology using MIX data is to compare average size of **deposits per depositor** to average size of **loans per borrower**.<sup>6</sup> Of course, an important caveat in using averages is that they can be highly influenced by outliers. It is commonly expected that there will be more and larger outliers in the deposit distribution than in the loan distribution because of the presence of larger savers attracted by the interest rate premium often paid by MFIs compared to other financial institutions in order to attract deposits. When this is the case, it means that even though these MFIs may be mobilizing many smaller deposits, a large share of their deposits will come from larger size accounts which presumably mean richer savers.

The following discussion is based mostly on country averages (Annex: Table 1), but the results based on country medians produce similar results (Annex: Table 2). Loan amounts per borrower and deposit amounts per depositor are both presented as a percentage of GNI per capita in order to introduce some comparability across countries and regions. MFIs are divided into **deposit mobilizing** MFIs and **non-mobilizing** MFIs<sup>7</sup>, and country average loan size per borrower are calculated for each group. Most of the data is from 2007, but in a few cases 2006 and

5. The ratio of average deposits per saver suffers the same problem as does the average loan balance per borrower in that we never know the distribution of loans and deposits when we only have average data to work with.

6. The analysis of this ratio is better than just comparing average deposits per depositor as percentage of GNI per capita for different countries, because of the differences in income distribution between countries that make GNI per capita a noisy standardizer. At the end of the paper, we discuss some correlations between the proposed ratio and other common indicators of deposit mobilization.

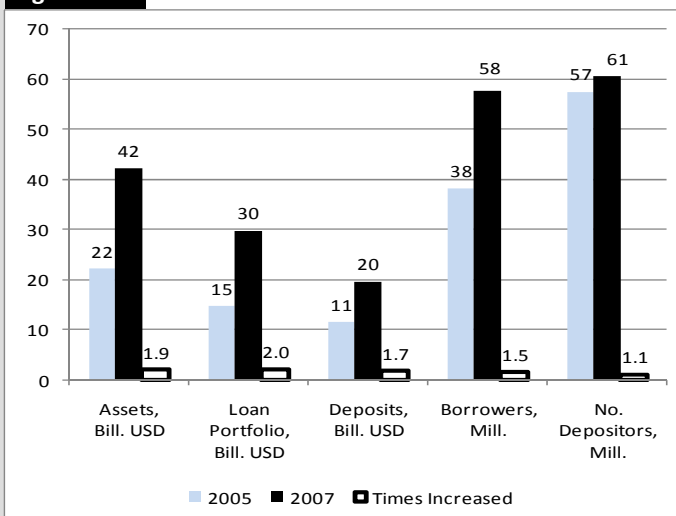
7. Non-mobilizing MFIs include those that do not mobilize voluntary deposits, or only report compulsory or institutional deposits (as opposed to retail deposits.)

## Deposit Mobilization from 2005 — 2007

From the purely financial perspective there are some promising results because more MFIs are now mobilizing voluntary deposits and they represent an important source of funding. The combined MIX Market–MBB (MicroBanking Bulletin) database used in this analysis contains 1,093 MFIs from 104 countries reporting data for 2007. Both databases are maintained by the Microfinance Information Exchange, Inc. (MIX). They accounted for 68 million borrowers and 62 million savers in 2007. Worldwide, their assets represented USD 51 billion, their gross loan portfolio USD 37 billion, and their voluntary deposits USD 22 billion. Since this paper focuses on depth of outreach of deposit mobilizing MFIs, we concentrate on the analysis of retail deposit mobilizing instruments for microfinance clients. In this context, voluntary deposits include both savings accounts and time deposits by individuals, while institutional accounts and compulsory deposits are excluded. For 787 MFI reporting data for both 2005 and 2007, the number of **deposit mobilizing MFIs** (MFIs that mobilized voluntary deposits, excluding MFIs that only mobilize compulsory deposits or institutional deposits) in 2007 was 1.1 times larger than in 2005 (318 versus 298 deposit mobilizing MFIs), and they represented on average 39 percent of all MFIs in the panel. The total amounts in USD of assets increased 1.9 times, of gross loan portfolio 2.0 times, and of voluntary deposits 1.7 times in the 2005-2007 period (**Figure 1**). For the MFIs reporting data for both 2005 and 2007 the number of depositors is still larger than the number of borrowers (**Figure 1**), but this result doesn't hold for the full sample (68 million borrowers versus 62 million savers). In the same period the number of borrowers increased 1.5 times and the number of voluntary savers increased 1.1 times. The average ratio of voluntary deposits to total assets was 17 percent for all MFIs in the panel and close to 42 percent for only deposit mobilizing MFIs in 2007. Weighted by assets of deposit mobilizing MFIs only, this ratio decreased slightly from 63 percent in 2005 to 58 percent in 2007. This is consistent with the fact that assets increased more than deposits in the same period as previously mentioned.

The average number of savers per borrower only for the 291 deposit mobilizing MFIs with data for 2005 and 2007 did not change much in the period 2005-2007 (2.2 versus 2.3 respectively), and the median exhibits a similar trend (1.3 versus 1.4, respectively). Although, from the financial perspective, voluntary deposit mobilization is an important source of funding for deposit mobilizing MFIs, it seems that most deposit mobilizing MFIs have not achieved anything close to the 6 savers per 1 borrower that BRI (Bank Rakyat Indonesia) reported in 2007. Indeed, 75 percent of all the deposit mobilizing MFIs reported a ratio of less than 3 savers per borrower, and only 9 percent of the deposit mobilizing MFIs report at least 6 savers per borrower in 2007.

**Figure 1: Main Indicators 2001—2007**



Figures based on 787 MFIs reporting data for both years to MIX.

2008 data were used. For the country analysis, only those countries with at least two deposit mobilizing and two non-mobilizing MFIs were included. This restricted the total sample size to 38 countries and 298 deposit mobilizing MFIs. One hundred and four MFIs (64 percent) were eliminated, but resulted in excluding only 30 percent of the deposit mobilizing MFIs in the total database with data for the years 2006-2008. Considering the relatively small sample size for some countries, the observed differences between means were tested for statistical significance using **t tests**. The Middle East and North Africa (MENA) region was excluded because of the small number of deposit mo-

bilizing MFIs in the sample. BTA Bank (previously known as INEXIMBANK) in Kyrgyzstan reports very high average deposits per depositor compared to the other MFIs in the country. In order to facilitate the analysis, results for Kyrgyzstan without BTA Bank are reported as Kyrgyzstan 2.

The main question explored by this paper is whether deposit mobilizing MFIs are really mobilizing small or large deposits. The analysis is based on the comparison of the ratio of *average deposits per depositor to average loans per borrowers* for different countries. In particular, the analysis focuses on three main com-

## Skewness of Deposits and Its Impact on Average Deposits per Depositor

Savings accounts and time deposits are the two most important deposit instruments used by MFIs. We can assume that savings accounts are smaller in size than time deposits, and most likely, savings accounts will be used by clients with different socioeconomic traits than those with time deposits. However, since we cannot differentiate between these two types of accounts based on MIX data, we will explore briefly the implications of this for our analysis. Assume that MFIs A and B with the same size measured by both loan portfolio and assets mobilizes voluntary deposits only through savings accounts and time deposits (example 1). Assume the distribution of amounts of savings accounts and time deposits for MFI A is 10 percent and 90 percent, respectively, with an average of USD 10 per depositor of savings accounts and USD 100 per depositor of time deposits. Now assume that MFI B in the same country only offers savings accounts with an average of USD 10 per depositor. The average deposit per depositor for MFI A is USD 53 compared with USD 10 for MFI B. This example illustrates a few points. Small depositors represent almost 50 percent of all depositors of MFI A, but they contribute only 10 percent of total deposits. Therefore MFI A is as successful as MFI B in mobilizing small size voluntary deposits, but its average deposit per depositor is larger than the average deposit of MFI B due to the larger time deposits.<sup>8</sup>

Example 1: Fictional Distribution of Deposits for MFI A					
Type of Account	Number of Depositors		Volume of Deposits		Average per Depositor
	Number	% Total	USD	% Total	
Time Deposits	90	47%	\$9,000	90%	\$100
Savings Accounts	100	53%	\$1,000	10%	\$10
<b>Total</b>	<b>190</b>	<b>100%</b>	<b>\$10,000</b>	<b>100%</b>	<b>\$53</b>

8. MFI A is not so fictional after all. Eighty-eight percent of all deposit accounts of five Bolivian Fondos Financieros Privados are smaller than \$500, but they contributed only 5 percent of all deposits mobilized. The respective figures for savings accounts are 92 percent and 11 percent, but only 21 percent and 1 percent for time deposits. Figures are based on data reported by the Bolivian Superintendence of Banks for December 2007, and for the following Fondos Financieros Privados: EcoFuturo, Fassil, FIE, Fondo de la Comunidad, Fortaleza and PRODEM.

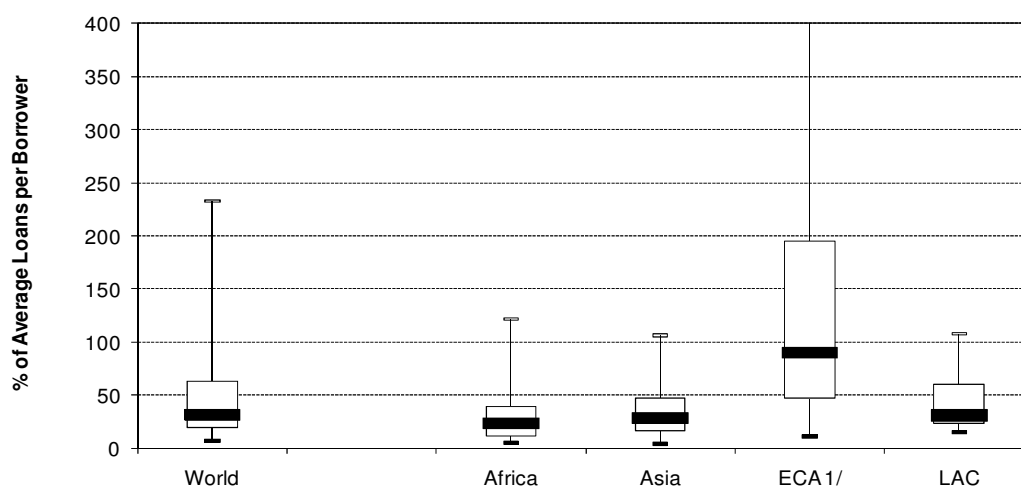
parisons presented in Annex: Tables 1 and 2: i) average deposit per depositor (D) versus average loan size per borrower only for deposit mobilizing MFIs (LD), ii) average loans per borrower of deposit mobilizing MFIs (LD) versus average loans per borrower of non-mobilizing MFIs (LN), and iii) average deposits per depositor of deposit mobilizing MFIs (D) versus average loans per borrower of non-mobilizing MFIs (LN).

## Main Results

**The average size of deposits per depositor is at most two-thirds of average size of loans per borrower for most deposit mobilizing MFIs.** The average ratio of *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs (D/LD)*, is 61 percent; and the 5th, 25th, 50th and 75th percentiles are 7 percent, 20 percent, 31 percent and 63 percent respectively, for the 298 MFIs from the countries with

at least two deposit mobilizing MFIs and two non-mobilizing MFIs. Indeed, the ratio of *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* is over 100 percent for only 13 percent of these MFIs, meaning that for most deposit mobilizing MFIs, average deposits are considerably smaller than average loans.<sup>9</sup> These results make us question whether those deposit mobilizing MFI with high levels of *Average Deposits to Loan Balance per Borrower* are really mobilizing most deposits from small depositors, given the relative low levels of *Average Deposits to Loan Balance per Borrower* for most deposit mobilizing MFIs. These results also show that most deposit mobilizing MFIs have been able to design and mobilize funds with deposit products that match the needs of their borrowers, and MFI clients find it as useful to hold small deposits as it is to borrow small loans. A high *Average Deposits to Loan Balance per Borrower* ratio doesn't rule out that some of the deposit accounts are smaller than the loan accounts, but it means that the small accounts do not represent

**Figure 2:** Average Deposits per Depositor as % of Average Loan Balance per Borrower (2007)



Note: 298 deposit mobilizing MFIs. The thick horizontal bars represent medians; the top and bottom of the white boxes represent the 75th and 25th percentiles, and the high and low short bars represent the 95th and 5th percentiles, respectively.

1/ The 95th percentile for ECA is 595%.

9. Only 14 percent of the 427 deposit mobilizing MFIs in the full sample (without removing those countries with at least two deposit mobilizing MFIs and two non-mobilizing MFIs), have an *Average Deposits to Loan Balance per Borrower* ratio over 100 percent, and the 75th percentile is 63 percent as in the sub-sample.



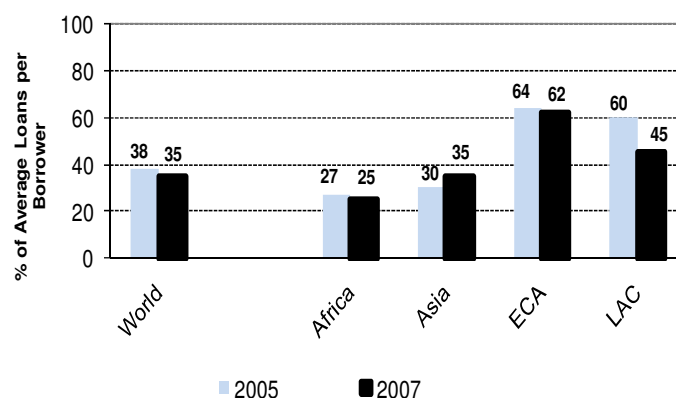
the bulk of the deposits mobilized by the MFI, as discussed in the Text Box on page 3. This result is important because we are comparing the accounts' size of borrowers and depositors from the same institutions, that in theory are served by the same branches and operating in the same geographical regions.<sup>10</sup> We are not arguing that there has to be a specific relationship (i.e. 20 percent, 66 percent, 110 percent, etc.) between average deposits per depositor and average loans per borrowers. But we are finding strong evidence suggesting that for most MFIs and countries this relationship is quite low, as demonstrated by high concentration around small percentages reported in **Figure 2**.

**Average deposits are smaller than average loans of deposit mobilizing MFIs except in many countries from Eastern Europe and Central Asia (ECA).** Average deposits per depositor (D) were smaller than average loans per borrower for the deposit mobilizing MFIs (LD) in 33 out of the 38 countries with a sample of at least two deposit mobilizing MFIs and two non-mobilizing MFIs (Annex: Table 1). The average by country of the ratio of *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs (D/LD)*, is larger than 100 percent in only five countries, four from ECA (Armenia, Azerbaijan, Russia, and Uzbekistan) and Guinea. The median by country for the same ratio is larger than 100 percent in the same countries with the exception of Uzbekistan. Tests of differences of means at the country level reveal 26 statistically significant differences: 25 countries where deposits are statistically smaller than loans (indicated by << for the two-tailed tests and < for the one-tailed tests) and Russia where deposits are larger than

loans.<sup>11</sup> At the regional level, deposits are also statistically smaller than loans of deposit mobilizing MFIs in all regions with the exception of ECA. Within ECA, deposits are statistically smaller than loans for the quintet of Albania, Bulgaria, Mongolia, Serbia and Tajikistan, but not for Armenia, Azerbaijan, Kyrgyzstan, Russia and Uzbekistan. Based on the data, it is not clear what is driving the differences between the subsets of ECA countries.<sup>12</sup>

The ratio of *Average Deposits per Depositor to Average Loans per Borrower* has decreased slowly in the 2005-2007 period. For the 271 deposit mobilizing MFIs, we observe a reduction in the ratio of *Average Deposits (D) to Average Loans of deposit mobilizing MFIs (LD)* of 3 percentage points (**Figure 3**). However, we observe a considerable reduction in LAC (15 percentage points) in comparison with a two percentage point reduction for Africa and ECA, and a five percentage point increase for Asia.

**Figure 3:** Medians of the Ratios of Average Deposits per Depositor to Average Loans per Borrower



Deposit mobilizing MFIs only, 2005–2007

10. For those MFIs with more than one branch, it will be very interesting to compare which branches mobilize more deposits than loans (urban?) and vice versa (rural?).

11. For values A and B, the alternative hypothesis of a 2-tailed test is  $A \neq B$ , and for the 1-tailed test is  $A > B$  or  $A < B$ . In both cases, the null hypothesis is  $A = B$ .

12. For instance, in Kyrgyzstan, Russia and Uzbekistan, Credit Unions and Cooperatives are important players with average deposits very similar to regulated MFIs. In Armenia and Azerbaijan, there are only two deposit mobilizing MFIs and adding more deposit mobilizing MFIs may produce different results later.

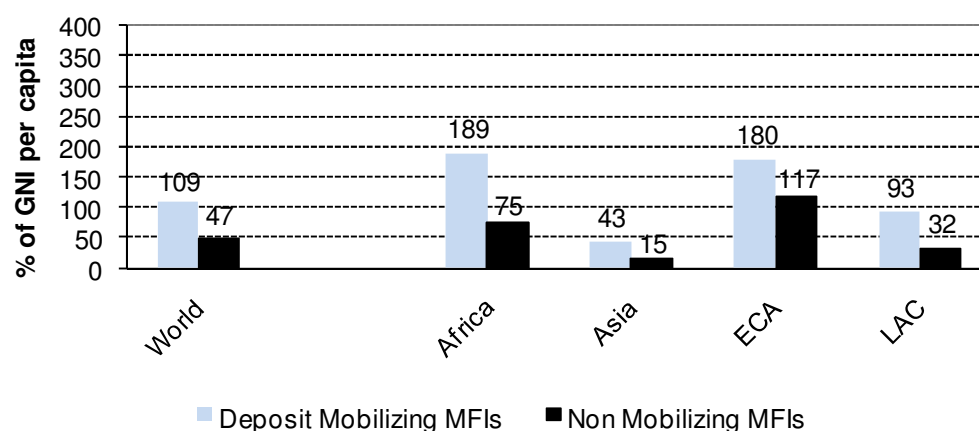
The next step is to compare loan sizes of deposit mobilizing MFIs (LD) with loan sizes of non-mobilizing MFIs (LN). This comparison is useful in determining if these two types of MFIs are serving different market segments with their credit products. However, this comparison is meaningless for Ethiopia and Indonesia because the number of non-mobilizing MFIs is very small (2 and 4, respectively) compared to the number of mobilizing MFIs (10 and 30, respectively). For the same reason and for the same two countries, later the ratio of *Average Loans of deposit mobilizing MFIs to Average Loans of non-mobilizing MFIs* is computed as average deposits per depositor (D) over loans per borrower for all MFIs in the country (LA) instead of only for non-mobilizing MFIs (LN), and significant hypothesis tests are labeled as n.a.<sup>13</sup> A similar argument can be applied to Benin, but deposits per depositor are so small that the results do not change when the adjustments are not made.

**Average outstanding loans per borrower for deposit mobilizing MFIs are larger than for non-mobilizing MFIs in most countries.** In particular,

the average outstanding loans per borrower are 109 percent and 47 percent for the 298 deposit mobilizing MFIs and 441 non-mobilizing MFIs respectively in 2007.<sup>14</sup> The difference between these two averages is statistically significant at the 99.9 percent level for the whole sample, and on a regional basis with the exception of ECA, for which the significance of the two-tailed test was 89 percent but the one-tailed test was significant at 96 percent. In the 38 countries with at least two deposit mobilizing MFIs and two non-mobilizing MFIs, loans per borrower of deposit mobilizing MFIs (LD) were larger than those of non-mobilizing MFIs (LN) in 32 countries, and the difference was statistically significant in 24 of these countries (only four were not significant on the two-tailed tests). For the six countries where loans of deposit mobilizing MFIs (LD) are smaller than loans of non-mobilizing MFIs (LN), the one-tailed test was statistically significant only for Madagascar and Bangladesh.

Put very simply, average deposits per depositor (D) are considerably smaller than average loans per bor-

**Figure 4: Average Loan Size per Borrower as % of GNI per Capita**



13. This is only the case of the test of Average deposits to Average Loans per Borrower of non-mobilizing MFIs for Indonesia, as shown in Table 1.

14. This conclusion also holds for the full sample when those countries with less than two deposit mobilizing MFIs or less than two non-mobilizing MFIs are not removed. For the 610 non-mobilizing MFIs, the average loan per borrowers as percentage of GNI per capita (LN) in 2007 was 55 percent compared with 118 percent (LD) for the 483 deposit mobilizing MFIs. The difference between these two means is also statistically significant.

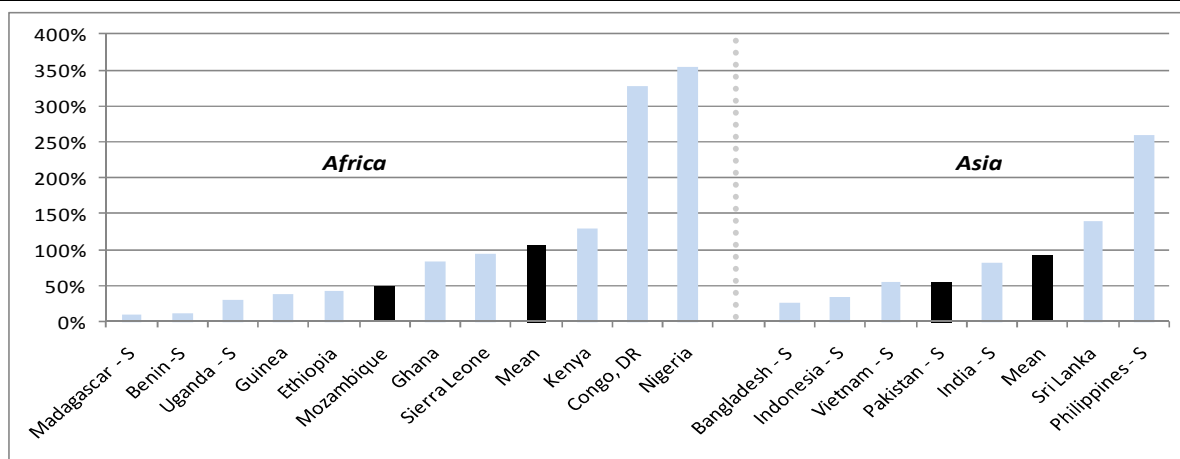
lower of deposit mobilizing MFIs (LD), while average loans of deposit mobilizing MFIs (LD) are considerably larger than average loans of non-mobilizing MFIs (LN). This difference in average loan size suggests that these two types of MFIs serve different types of borrowers in most countries. Therefore, we need to compare average deposits per depositor (D) in deposit taking MFIs with average loans per borrower of non-mobilizing MFIs (LN). The implicit assumption of this comparison is that larger deposit accounts are positively correlated with the income level of the depositors, in the same way as larger loan balances per borrower are positively correlated with the income level of borrowers. This comparison also assumes that larger deposit accounts relative to average loans are associated with richer borrowers.

**Average deposits from the deposit mobilizing MFIs turn out to be even smaller than the average loans made by non-mobilizing MFIs in most countries, but this pattern is stronger in African and Asian countries than in countries from LAC and ECA.** The distribution per country of *Average Deposits to Loan Balance per Borrower of non-mobilizing MFIs* (D/LN) is 9-733 percent; with an average of 142 percent and a median of 56 percent. Based on averages for this indicator (Annex: Table 1), average de-

posits per depositor (D) are smaller than average loans of non-mobilizing MFIs (LN) in 22 out of 38 countries (58 percent), and 26 out of 38 based on medians (68 percent). (See Annex: Table 2).

The best performer is Africa where average deposits per depositor (D) are smaller than average loans per borrower of non-mobilizing MFIs (LN) in eight out of 11 countries. In three of these cases the differences are statistically significant (Benin, Madagascar and Uganda). The average of the ratio of *Average Deposits to Loan Balance per Borrower of Non-mobilizing MFIs* for Africa is 106 percent and the median 41 percent. The second best performer is Asia where average deposits per depositor (D) are smaller than average loans per borrower of non-mobilizing MFIs (LN) in five out of seven countries. Impressively, in these five countries, the difference is statistically significant (including Indonesia). However, from the two countries where average deposits (D) are larger than average loans per borrower of non-mobilizing MFIs (LN), the difference is statistically significant in the case of the Philippines. The average of the ratio *Average Deposits to Loan Balance per Borrower of non-mobilizing MFIs* for Asia is 93 percent and the median is 56 percent.

**Figure 5: Average Deposits per Depositor as Percentage of Average Loans per Borrower by Country: Africa and Asia**



Statistically significant differences are indicated by an S after the name of the country. See Annex: Table 1 for Details. Means and medians are indicated with black bars, with Mozambique and Pakistan representing the medians for their respective regions.

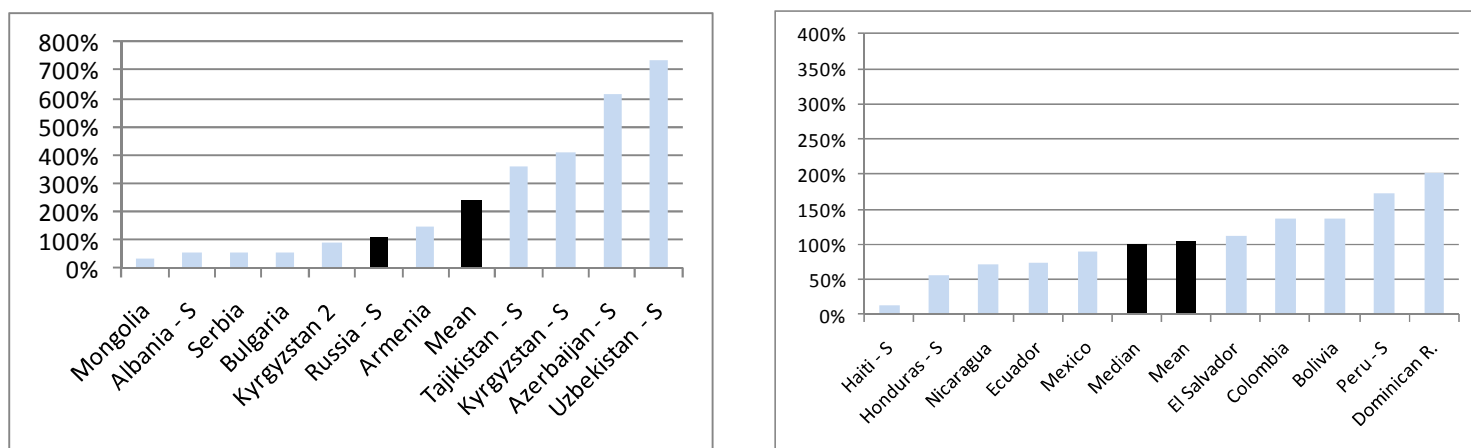


In LAC, average deposits (D) are smaller than average loans of non-mobilizing MFIs (LN) in six out of 10 countries. In total, three differences are statistically significant: Haiti and Honduras, where average deposits (D) are smaller than loans of non-mobilizing MFIs (LN), and Peru where average deposits (D) are larger than loans of non-mobilizing MFIs (LN). In only half of the ECA countries are deposits smaller than loans. This also holds for LAC countries. Average deposits are statistically smaller than average loans in Albania but statistically larger in four countries (Azerbaijan, Kyrgyzstan, Tajikistan and Uzbekistan) plus Russia where deposits (D) are also larger than loans in deposit mobilizing MFIs (LD).

Average Deposits became smaller in comparison to Average Loans per Borrower of non-mobilizing MFIs worldwide in the 2005-2007 period. The global median for this ratio in 2007 is 29 percentage points smaller than in 2005 for countries with deposit mobilizing and non-mobilizing MFIs in both years (**Figure 7**). All regions exhibit reductions in the same period, but none as large as the 87 percentage point reduction observed in Asia.

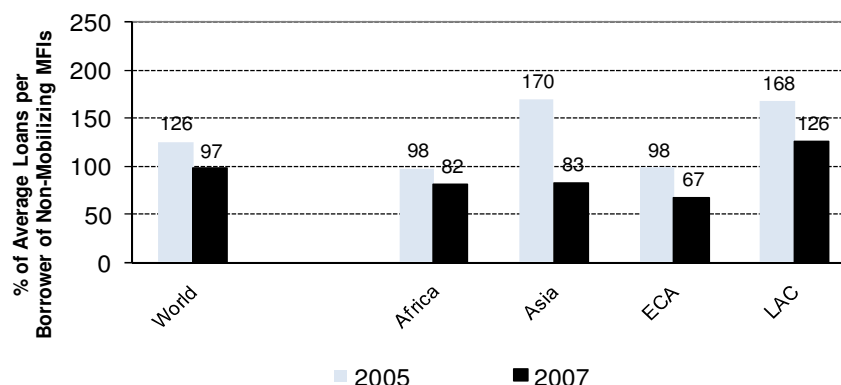
Next we look for systemic difference between institutional types. For instance, credit unions might be expected to perform a bit better than other types of deposit mobilizing MFIs given their longer standing em-

**Figure 6:** Average Deposits per Depositor as Percentage of Average Loans per Borrower by Country: ECA and LAC



Statistically significant differences are indicated by an S after the name of the country. See Annex: Table 1 for Details. Medians and means are indicated with black bars. For ECA graph, Russia is the median.

**Figure 7:** Medians of the Ratio of Avg Deposits per Depositor to Avg Loans per Borrower of Non-Mobilizing MFIs, 2005-2007



phasis on savings and the fact that the same members are simultaneously borrowers and savers in member-based credit unions. Likewise, banks that have operated for years might be perceived as being a more secure place for savings than a fairly new NGO or non-bank MFI. For the following analysis, MFIs were classified into four categories: non-governmental organizations (NGOs), credit unions and cooperatives (COOPs), banks and non-bank MFIs (licensed), and rural banks. Only those countries with at least two deposit mobilizing MFIs per legal status were included.

**NGOs mobilize the smallest average deposits account per depositor in the seven countries with at least two deposit mobilizing NGOs (Annex: Table 3).** Average deposits per depositor (D) are statistically smaller than average loans per borrower of deposit mobilizing NGOs (LD) in five of these countries (71 percent), and not statistically significant in India and Vietnam. The *Average Deposits to Loan Balance per Borrower* ratio for NGOs is smaller than the respective ratios for COOPs, licensed mobilizing MFIs and rural banks in every country where the comparison is possible. In addition, average deposits per depositor as percentage of GNI per capita (D) of NGOs are statistically smaller than the respective figures of the other types of deposit mobilizing MFIs on a country basis in four out of six possible comparisons. In the other two cases (licensed MFIs in Pakistan and COOPs in India), the differences were not statistically significant.

**Credit unions and cooperatives are only slightly better than licensed deposit mobilizing MFIs in mobilizing small average deposit accounts per depositor.** There are 15 countries with at least two deposit mobilizing COOPs in the sample (Annex: Table 4). Average deposits per depositor of COOPs (D) are statistically smaller than average loans per borrower (LD) in five countries (33 percent), statistically

larger in one (Russia), and not statistically different in nine (60 percent). In the eight countries where it is possible to compare COOPs and licensed mobilizing MFIs, average deposits per depositors (D) are statistically smaller than average loans per borrower (LD) in three countries for COOPs and in four (five if we consider Kyrgyzstan 2) for licensed mobilizing MFIs. In the same set of countries, average deposits per depositor (D) of COOPs are statistically smaller than those of licensed mobilizing MFIs in three countries (Ecuador, Nicaragua and Peru), statistically larger in Mexico and not statistically different in the other four countries.

In 11 of 24 countries (45 percent or 50 percent if we include Kyrgyzstan 2) with at least two licensed deposit mobilizing MFIs, average deposits per depositor (D) of licensed mobilizing MFIs are significantly smaller than average loans of deposit mobilizing MFIs (LD). Only two countries (Indonesia and Philippines) have at least two rural banks mobilizing deposits. In both cases, average deposits per depositor (D) of rural banks (28 and 24 percent of GNI per capita respectively) are statistically significantly larger than average deposits held by other types of deposit mobilizing MFIs.

Next we analyze some basic correlations to test if MFI size affects deposit mobilization. These correlations include *Average Deposits to Loan Balance per Borrower ratio of deposit mobilizing MFIs (D/LD)*, and some basic indicators of deposit mobilization and the size of MFIs: ratio of number of savers to borrowers; average deposits per depositor as percentage of GNI per capita (D); average loan balance per borrower as percentage of GNI per capita (LD); years since MFI started mobilizing deposits; total assets in USD; ratio of voluntary deposits to assets; and number of branches per MFI. This analysis was conducted for the full sample of 453 deposit mobilizing MFIs, and the correlations calculated for the total sample and for

the regional sub-samples. Only correlations with a significance level of 10 percent or greater are reported in Annex: Table 5.<sup>15</sup>

**The ratio of *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* is complementary to other commonly used indicators of deposit mobilization because it is not highly correlated with them. Therefore this analysis enriches the discussion of deposit mobilization by MFIs.** It would be expected that the ratio of *Average Deposits to Loan Balance per Borrower* would be positively correlated with its numerator and negatively correlated with its denominator. However, for the full sample, the only statistically significant correlation for *Average Deposits to Loan Balance per Borrower* ratio is 30 percent with the ratio of average deposits per depositor as percentage of GNI per capita (D). At the regional level, the coefficients are 31 percent, 49 percent and 97 percent for Africa, Asia and LAC respectively, but statistically insignificant (0 percent correlation) in ECA. Since average deposits per depositor as percent of GNI per capita (D) is part of the numerator of *Average Deposits to Loan Balance per Borrower (D/LD)*, these statistically significant correlations confirm that larger deposit sizes are associated with higher values for the *Average Deposits to Loan Balance per Borrower ratio of deposit mobilizing MFIs (D/LD)*, but the correlations vary by region and tend to be lower than expected. Similarly, the correlation between *Average Deposits to Loan Balance per Borrower* and its denominator, average loan balance per borrower as percentage of GNI per capita (LD), is not statistically significant for the full sample, and it is statistically significant only for the sub-sample of African MFIs (-15 percent).

For the full sample, the correlation between *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* and the savers to borrowers ratio is statistically insignificant. This means that *Average Deposits to Loan Balance per Borrower* is not redundant compared with this other commonly used indicator for deposit mobilization. At the regional level there are three statistically significant correlations between *Average Deposits to Loan Balance per Borrower* and savers to borrowers ratio, -31 percent, -16 percent and -40 percent for Africa, Asia and ECA, respectively, meaning that there is a lot of regional variability in the sample. However, this correlation is statistically insignificant for LAC, meaning there is no consistent relationship between these two indicators.

**Depth of deposits is not correlated with the number of years of deposit mobilization nor the number of MFI branches.** Also the ratio of *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* is not correlated with MFI size as measured by assets in USD, or the deposits to assets ratio or the number of branches of each MFI. In addition, there is no significant global statistical correlation between *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* and the number of years the MFI has been mobilizing deposits.<sup>16</sup> This is a strong result because it suggests that once MFIs decide on particular loans and deposits products, there is not a lot of change in *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* as MFIs age. This implies that either the size of savings deposits and loans does not change over time, or more likely that both rise at roughly the same pace as their clients become wealthier relative to GNI per capita. The only exceptions occur in ECA, where the correlation between *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* and

15. More rigorous analysis is necessary to confirm these preliminary results.

16. Data on number of years since the MFI started mobilizing deposits were available only for MFIs that started offering voluntary deposit products after they started reporting to the database or that incorporated voluntary deposit products after they started microfinance operations.

years of experience in mobilizing deposits is –32 percent and Asia where the correlation coefficient is 22 percent. ECA is also the only region where *Average Deposits to Loan Balance per Borrower of deposit mobilizing MFIs* is significantly correlated with the size of MFIs as measured by total assets. The negative correlation of -25 percent suggests that in ECA, smaller MFIs are better at mobilizing smaller deposit accounts than larger MFIs.

## Conclusions

The main question explored in this paper is whether deposit mobilizing MFIs serve small or large depositors. The low ratio found for *Average Deposits per Depositor to Average Loans per Borrower* suggests that most **deposit mobilizing MFIs** are reaching small depositors, perhaps even smaller than their borrowers. This means that they have been able to design and mobilize voluntary deposits with instruments that match the needs of individuals as poor or even poorer than their borrowers. However, the presence of many large outliers also suggests that not all MFIs have succeeded at microdeposit mobilization. Additional client research is necessary to confirm these results, but the striking difference between the countries with lower *Average Deposits to Loan Balance per Borrower ratio of deposit mobilizing MFIs (D/LD)*, and those with the higher ratios, as in the ECA countries, suggests some strong systematic patterns in the data.

We also believe that the ratio of *Average Deposits to average Loan Balance per Borrower* should be a fundamental indicator in the analysis of depth of outreach of deposit mobilizing instruments. This ratio complements other indicators because it is not correlated with them and, therefore, not redundant. In addition, this ratio facilitates the comparison of the performance of saving mobilizing MFIs across countries.

It seems that in most countries, deposit mobilizing MFIs serve different types of borrowers than do non-mobilizing MFIs. We presented statistical tests suggesting that these are not random results. Also, by comparing average deposits per depositor at the country level with the level of average loans per borrower for non-mobilizing MFIs, we found clear leaders in every region in terms of small deposit mobilization. The results also suggest that there are more leaders in Africa and Asia than in LAC and ECA. Some NGOs lead in terms of depth of outreach of deposit mobilization in countries where they are allowed to mobilize deposits. Surprisingly, we did not find strong differences between Credit Unions and Cooperatives in comparison with licensed deposit mobilizers.

In the same way that average data for loans can mask important information about the distribution of loans, so these data about savings may mask important information about the distribution of savers. Future research needs to be done to understand these distributions. Research is also needed to separate time deposits from demand deposits both in terms of volume and number of clients and accounts. Many other issues, such as the terms and conditions of saving products, transaction costs for savers, and the image of MFI in their market areas, need to be studied to understand the performance of deposit mobilizing MFIs regarding savings for the poor.

# Annex

The following definitions are to be applied to Table 1 of the Annex (pages 14-15) and Table 2 of the Annex (page 16):

***Variable Average Deposits to Loan Balance per Borrower of Deposit Mobilizing MFIs*** is defined as average deposits per depositor (D) as percentage of average loan size per borrower for deposit mobilizing MFIs (LD). This ratio is first calculated at the MFI level and the average (or median) of each ratio by country is presented in the tables. This ratio is not equal to the percentage of average deposits per depositor (D) over average loan size per borrower of deposit mobilizing MFIs (LD) as presented in the tables. A large mismatch between this ratio and the ratio of the averages presented in the tables is usually explained by the presence of outliers.

***Average Loans of Deposit Mobilizing MFIs to Average Loans of Non-Mobilizing MFIs*** is defined as average loan sizes per borrower of deposit mobilizing MFIs (LD) as percentage of average loan size per borrower of non-mobilizing MFIs (LN).

***Average Deposits to Loan Balance per Borrower of Non-Mobilizing MFIs*** is defined as average deposits per depositor (D) as percentage of average loan size per borrower of non-mobilizing MFIs (LN).

Table 1: Averages per Country

Region	Country	Average Deposits per Depositor as % GNI per capita (D)	Average Loan per Borrower as % GNI per capita			Ratios			Significant Statistical Tests		
			Deposit Mobilizing (LD)	Non Mobilizing (LN)	All MFIs (LA)	1: D/LD by MFI	2: LD/LN	3: D/LN	D vs. LD	LD vs. LN	D vs. LN
Africa	Benin	17.9	102.3	169.8	119.2	24%	60%	11%	D << LD		D << LN
Africa	Congo, DR	318.3	983.1	97.0	589.3	28%	1014%	328%	D < LD	LD > LN	
Africa	Ethiopia	28.7	76.1	36.1	69.5	33%	211%	41%	D << LD	LD >> LN	
Africa	Ghana	14.7	105.4	17.5	58.5	19%	603%	84%	D << LD	LD >> LN	
Africa	Guinea	32.9	34.6	86.9	60.7	100%	40%	38%			
Africa	Kenya	64.3	86.4	49.6	57.4	76%	174%	130%		LD > LN	
Africa	Madagascar	24.0	114.1	281.4	176.8	23%	41%	9%	D << LD	LD < LN	D << LN
Africa	Mozambique	40.3	198.3	82.6	140.4	22%	240%	49%	D << LD	LD > LN	
Africa	Nigeria	54.7	117.3	15.5	66.4	28%	757%	353%	D << LD	LD >> LN	
Africa	Sierra Leone	34.9	49.5	37.3	41.4	73%	133%	94%			
Africa	Uganda	37.6	201.7	125.4	170.0	22%	161%	30%	D << LD		D << LN
Asia	Bangladesh	4.7	15.9	18.3	17.2	28%	87%	26%	D << LD	LD < LN	D << LN
Asia	India	13.0	35.5	16.0	17.9	38%	222%	81%	D < LD	LD >> LN	D << LN
Asia	Indonesia	23.6	76.6	3.3	68.0	35%	2337%	35%	D << LD	LD >> LN	n.a.
Asia	Pakistan	10.5	22.8	18.9	20.4	42%	121%	56%	D < LD		D < LN
Asia	Philippines	17.7	34.6	6.8	24.7	51%	507%	259%	D << LD	LD >> LN	D >> LN
Asia	Sri Lanka	15.3	32.3	11.0	19.9	75%	293%	139%		LD >> LN	
Asia	Vietnam	6.6	19.8	12.2	15.5	36%	162%	54%	D << LD	LD >> LN	D < LN
ECA	Albania	56.8	114.8	107.0	110.1	69%	107%	53%			D << LN
ECA	Armenia	74.9	89.9	49.9	59.9	113%	180%	150%		LD >> LN	
ECA	Azerbaijan	293.2	95.0	47.9	54.6	296%	198%	613%			D >> LN
ECA	Bulgaria	76.0	232.1	133.1	166.1	31%	174%	57%	D << LD		
ECA	Kyrgyzstan	821.5	452.2	201.0	284.7	99%	225%	409%		LD >> LN	D > LN
ECA	Kyrgyzstan 2	178.2	330.1	201.0	239.0	43%	164%	89%	D << LD		
ECA	Mongolia	28.1	116.6	76.7	92.6	24%	152%	37%	D << LD		
ECA	Russia	102.2	69.9	90.4	74.8	204%	77%	113%	D >> LD		
ECA	Serbia	23.7	124.1	41.8	83.0	19%	297%	57%	D << LD	LD >> LN	
ECA	Tajikistan	710.4	839.8	198.9	286.3	81%	422%	357%		LD >> LN	D >> LN
ECA	Uzbekistan	254.2	202.5	34.7	73.4	120%	584%	733%		LD >> LN	D >> LN
LAC	Bolivia	103.0	320.3	75.8	167.5	42%	422%	136%	D << LD	LD >> LN	
LAC	Colombia	24.7	49.2	18.2	22.1	53%	271%	136%		LD >> LN	
LAC	Dominican R.	15.3	51.0	7.6	24.9	29%	674%	202%			
LAC	Ecuador	17.1	55.2	22.9	43.6	31%	241%	74%	D << LD	LD >> LN	
LAC	El Salvador	31.0	116.1	27.8	40.4	31%	418%	112%		LD >> LN	
LAC	Haiti	15.4	43.4	122.0	99.5	36%	36%	13%	D < LD		D < LN
LAC	Honduras	19.6	90.0	35.6	53.8	26%	252%	55%	D << LD	LD >> LN	D << LN
LAC	Mexico	6.9	15.1	7.7	8.3	39%	198%	90%	D << LD	LD > LN	
LAC	Nicaragua	46.2	206.0	65.5	89.9	21%	315%	70%	D << LD	LD >> LN	
LAC	Peru	38.7	58.9	22.5	39.0	76%	261%	172%	D << LD	LD >> LN	D >> LN



Table 1: Averages per Country (cont'd)

Region	Country	GNI per capita \$	Only for Deposit Mobilizing MFIs			Number of MFIs	
			Deposits to Assets %	Deposits to Loans %	Depositors to Borrowers Ratio	Deposit Mobilizing	Non Mobilizing
Africa	Benin	559.0	35.0	38.1	2.9	6	2
Africa	Congo, DR	130.5	72.5	100.6	6.6	5	4
Africa	Ethiopia	190.7	13.1	14.6	0.7	10	2
Africa	Ghana	556.8	28.0	20.4	2.4	7	8
Africa	Guinea	560.5	51.8	61.8	2.7	4	4
Africa	Kenya	650.8	26.8	12.1	2.0	3	11
Africa	Madagascar	310.8	52.6	89.1	6.8	5	3
Africa	Mozambique	332.1	22.3	18.9	1.6	4	4
Africa	Nigeria	679.9	30.5	37.8	4.4	4	4
Africa	Sierra Leone	266.7	42.3	33.3	1.4	2	4
Africa	Uganda	326.8	36.7	36.2	3.9	7	5
Asia	Bangladesh	484.4	13.6	8.9	0.8	17	18
Asia	India	875.6	27.0	5.0	2.2	9	84
Asia	Indonesia	1,529.4	68.1	84.2	3.7	30	4
Asia	Pakistan	771.4	15.7	17.7	1.2	6	9
Asia	Philippines	1,561.7	46.6	51.2	2.0	34	19
Asia	Sri Lanka	1,364.6	55.9	30.9	2.5	5	7
Asia	Vietnam	804.1	2.8	1.4	0.2	3	4
ECA	Albania	3,094.0	46.3	39.4	3.1	2	3
ECA	Armenia	2,119.4	25.6	9.8	1.0	2	6
ECA	Azerbaijan	3,280.6	24.0	8.3	0.2	2	12
ECA	Bulgaria	4,051.4	41.0	17.0	2.1	2	4
ECA	Kyrgyzstan	667.2	21.8	12.2	0.5	6	12
ECA	Kyrgyzstan 2	668.0	14.1	6.9	0.6	5	12
ECA	Mongolia	1,450.7	59.3	31.0	3.5	2	3
ECA	Russia	6,675.8	76.1	66.6	0.8	28	9
ECA	Serbia	4,765.0	28.8	25.0	3.1	2	2
ECA	Tajikistan	520.6	34.1	8.0	0.6	3	19
ECA	Uzbekistan	686.1	55.1	14.7	0.8	3	10
LAC	Bolivia	1,101.2	66.7	33.3	3.1	9	15
LAC	Colombia	4,174.1	80.8	12.0	2.5	2	14
LAC	Dominican R.	2,870.9	34.0	16.7	1.4	2	3
LAC	Ecuador	3,039.4	60.1	47.4	2.7	30	17
LAC	El Salvador	2,894.1	65.3	12.7	3.5	2	12
LAC	Haiti	484.9	54.1	28.0	2.8	2	5
LAC	Honduras	1,204.8	13.7	5.3	0.9	5	10
LAC	Mexico	7,908.1	53.3	6.4	1.6	4	40
LAC	Nicaragua	1,001.0	32.1	7.5	1.9	4	19
LAC	Peru	2,945.5	58.8	34.2	1.4	25	31

Table 2: Medians per Country

Region	Country	Average Deposits per Depositor as % GNI per capita (D)	Average Loan per Borrower as % GNI per capita			Ratios			Only for Deposit Mobilizing MFIs		
			Deposit Mobilizing (LD)	Non Mobilizing (LN)	All MFIs (LA)	1: D/LD by MFI	2: LD/LN	3: D/LN	Deposits to Assets %	Deposits to Loans %	Depositors to Borrowers Ratio
Africa	Benin	11.5	48.7	169.8	95.0	23%	29%	7%	28.3	31.4	2.2
Africa	Congo, DR	63.4	230.0	95.2	158.2	24%	242%	67%	67.7	102.3	6.2
Africa	Ethiopia	13.0	68.4	36.1	67.2	22%	190%	19%	12.9	12.8	0.9
Africa	Ghana	8.0	54.5	19.3	21.5	14%	282%	41%	21.5	0.0	0.9
Africa	Guinea	26.6	32.0	40.3	37.4	111%	79%	66%	51.7	17.4	1.4
Africa	Kenya	40.7	92.4	46.4	51.5	30%	199%	88%	15.5	0.0	1.3
Africa	Madagascar	24.9	101.1	287.9	104.1	24%	35%	9%	55.2	65.8	9.0
Africa	Mozambique	43.8	194.3	88.0	114.0	21%	221%	50%	19.1	3.5	1.3
Africa	Nigeria	8.1	97.0	14.4	39.7	9%	671%	56%	24.2	5.6	3.3
Africa	Sierra Leone	34.9	49.5	39.2	39.2	73%	126%	89%	42.3	0.0	1.4
Africa	Uganda	26.8	177.0	95.1	106.6	17%	186%	28%	30.4	36.6	4.7
Asia	Bangladesh	3.3	16.2	18.0	16.4	24%	90%	18%	8.0	0.0	1.0
Asia	India	6.5	15.5	14.0	14.3	17%	111%	46%	17.8	0.0	1.7
Asia	Indonesia	17.0	59.5	3.4	48.2	28%	1765%	35%	69.0	91.0	3.2
Asia	Pakistan	5.1	22.5	19.2	19.8	18%	117%	27%	6.8	0.0	0.9
Asia	Philippines	9.5	22.5	6.2	9.3	36%	363%	154%	57.8	25.4	1.3
Asia	Sri Lanka	8.2	18.7	12.1	14.2	30%	154%	67%	59.3	0.0	2.0
Asia	Vietnam	7.8	20.9	11.6	15.0	48%	181%	68%	2.5	0.0	0.1
ECA	Albania	56.8	114.8	118.6	118.6	69%	97%	48%	46.3	0.0	3.1
ECA	Armenia	74.9	89.9	44.5	49.7	113%	202%	169%	25.6	0.0	1.0
ECA	Azerbaijan	293.2	95.0	21.1	23.4	296%	451%	1393%	24.0	0.0	0.2
ECA	Bulgaria	76.0	232.1	81.5	149.3	31%	285%	93%	41.0	0.0	2.1
ECA	Kyrgyzstan	184.1	330.8	104.5	192.1	37%	317%	176%	8.6	0.0	0.3
ECA	Kyrgyzstan 2	27.3	287.3	104.5	178.0	11%	275%	26%	7.9	0.0	0.4
ECA	Mongolia	28.1	116.6	28.9	113.7	24%	403%	97%	59.3	0.0	3.5
ECA	Russia	65.3	49.0	70.3	55.9	108%	70%	93%	81.6	87.4	0.6
ECA	Serbia	23.7	124.1	41.8	81.4	19%	297%	57%	28.8	23.9	3.1
ECA	Tajikistan	508.3	859.9	112.7	120.0	81%	763%	451%	31.8	0.0	0.6
ECA	Uzbekistan	130.3	217.4	27.5	40.1	62%	790%	474%	69.9	0.0	0.8
LAC	Bolivia	116.0	238.9	69.6	105.8	25%	343%	167%	67.7	0.0	2.4
LAC	Colombia	24.7	49.2	19.1	20.9	53%	258%	129%	80.8	0.0	2.5
LAC	Dominican R.	15.3	51.0	5.6	13.4	29%	911%	273%	34.0	0.0	1.4
LAC	Ecuador	11.7	43.7	19.5	36.7	28%	224%	60%	57.9	62.0	2.8
LAC	El Salvador	31.0	116.1	26.4	33.3	31%	441%	118%	65.3	0.0	3.5
LAC	Haiti	15.4	43.4	96.9	60.1	36%	45%	16%	54.1	0.0	2.8
LAC	Honduras	20.0	83.1	36.1	45.3	21%	230%	55%	10.7	0.0	0.9
LAC	Mexico	6.8	15.7	4.2	4.5	37%	374%	161%	62.3	0.0	1.9
LAC	Nicaragua	39.3	154.8	69.9	72.2	24%	221%	56%	29.7	0.0	1.5
LAC	Peru	33.9	57.4	14.2	33.2	66%	404%	238%	59.4	0.0	1.2

Table 3: Countries With at Least Two Saving Mobilizing NGOs

Country	Region	Average Deposits per Depositor as % GNI per capita (\$)			Ratio 1: D/LD by MFI			Number of Deposit Mobilizing			Tests: D<<LD, D>>LD, ...			Tests: D NGOs vs. D Licensed, vs. D COOPS	
		NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	Licensed	CU/Coops
Pakistan	Asia	0.2	15.6		1%	67%		2	4		<<	=		=	
India	Asia	0.2	9.0	19.7	12%	29%	56%	2	2	5	=	=		<<	=
Philippines	Asia	0.9			15%			8			<<				
Ghana	Africa	4.2	28.6		18%	20%		4	3		<<	<		<<	
Benin	Africa	6.7		29.1	20%		27%	3		3	<<				<<
Bangladesh	Asia	4.6			27%			16			<<				
Vietnam	Asia	4.7			30%			2			=				
<b>Mean</b>		<b>3.1</b>	<b>17.7</b>	<b>24.4</b>	<b>17%</b>	<b>38%</b>	<b>41%</b>								
<b>Median</b>		<b>4.2</b>	<b>15.6</b>	<b>24.4</b>	<b>18%</b>	<b>29%</b>	<b>41%</b>								

Table 4: Countries With at Least Two Saving Mobilizing COOPs

Country	Region	Average Deposits per Depositor as % GNI per capita (D)			Ratio 1: D/LD by MFI			Number of Deposit Mobilizing			Tests: D<<LD, D>>LD, ...			Tests: D COOPs vs. D NGOs, vs. D LIC.	
		NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	NGOs	Licensed	CU/Coops	NGOs	Licensed
Nicaragua	LAC		70.7	21.6		27%	16%		2	2		=	<<		<<
Peru	LAC		45.1	18.4		77%	69%		19	6		<<	<<		<<
Ecuador	LAC		31.5	15.4		51%	29%		3	27		=	<<		<<
Kyrgyzstan	ECA		1460.2	182.8		148%	51%		3	3		=	=		=
Uganda	Africa		46.3	15.8		23%	22%		5	2		<<	=		=
Kyrgyzstan 2	ECA		171.4	182.8		32%	51%		2	3		<<	=		=
Bolivia	LAC		98.3	119.4		46%	28%		7	2		<<	=		=
India	Asia	0.2	9.0	19.7	12%	29%	56%	2	2	5	=	=	=	=	=
Mexico	LAC		2.1	11.7		19%	58%		2	2		<	=		>>
Benin	Africa	6.7		29.1	20%		27%	3		3	<<		<	>>	
Madagascar	Africa			24.0			23%			5			<<		
Congo, DR	Africa			193.1			24%			4			=		
Indonesia	Asia			10.0			41%			4			=		
Guinea	Africa			34.4			81%			3			=		
Uzbekistan	ECA			343.5			156%			2			=		
Russia	ECA			94.4			210%			27			>>		
All Countries	Mean		214.9	82.2		50%	59%								
	Median		46.3	26.5		32%	46%								
	Mean		214.9	65.3		50%	42%								
Only countries with Licensed	Median		46.3	19.7		32%	51%								

**Table 5: Correlations for the Complete Sample and By Region**

	Ratio 1*	Depositors to Borrowers	Avg. Deposits/ Depositor % GNIPC	Avg. Loan/ Borrower % GNIPC	Year Mobilizing Deposits	Assets Mill. USD	Deposits to Assets Ratio
<b>Complete Sample = 453</b>							
Ratio 1*	1.00						
Depositors to Borrowers		1.00					
Avg. Deposits/Depositor % GNIPC	0.30	-0.09	1.00				
Avg. Loan/Borrower % GNIPC		0.26	0.61	1.00			
Year Mobilizing Deposits					1.00		
Assets Mill USD					0.40	1.00	
Deposits to Assets Ratio		0.45		0.13	-0.18	0.11	1.00
No. Branches						0.38	-0.12
<b>Africa = 138</b>							
Ratio 1*	1.00						
Depositors to Borrowers	-0.31	1.00					
Avg. Deposits/Depositor % GNIPC	0.31		1.00				
Avg. Loan/Borrower % GNIPC	-0.15	0.37	0.75	1.00			
Year Mobilizing Deposits					1.00		
Assets Mill USD					0.36	1.00	
Deposits to Assets Ratio		0.65	0.24	0.32			1.00
No. Branches					0.30	0.51	0.18
<b>Asia = 151</b>							
Ratio 1*	1.00						
Depositors to Borrowers	-0.16	1.00					
Avg. Deposits/Depositor % GNIPC	0.49	-0.15	1.00				
Avg. Loan/Borrower % GNIPC		0.24	0.38	1.00			
Year Mobilizing Deposits	0.22		0.22		1.00		
Assets Mill USD		0.15			0.25	1.00	
Deposits to Assets Ratio		0.66		0.31			1.00
No. Branches						0.84	-0.17
<b>Eastern Europe and Central Asia = 65</b>							
Ratio 1*	1.00						
Depositors to Borrowers	-0.40	1.00					
Avg. Deposits/Depositor % GNIPC			1.00				
Avg. Loan/Borrower % GNIPC			0.88	1.00			
Year Mobilizing Deposits	-0.32	0.68			1.00		
Assets Mill USD	-0.25	0.56			0.63	1.00	
Deposits to Assets Ratio						-0.24	1.00
No. Branches		0.35				0.35	
<b>Latin America and the Caribbean = 99</b>							
Ratio 1*	1.00						
Depositors to Borrowers		1.00					
Avg. Deposits/Depositor % GNIPC	0.97	-0.20	1.00				
Avg. Loan/Borrower % GNIPC		0.47		1.00			
Year Mobilizing Deposits				0.32	1.00		
Assets Mill USD					0.41	1.00	
Deposits to Assets Ratio		0.40			0.33	0.18	1.00
No. Branches					0.46	0.96	

\* Ratio 1 = Variable Average Deposits to Loan Balance per Borrower of Deposit Mobilizing MFIs (see page 13).

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